

The Best Medical Location

Medical Office Location Analysis

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As a medical service provider, the location of your office is important to the profitability of your practice. It's beneficial to understand and weigh the various aspects to prepare for purchase or lease renewal, relocation or expansion. These key aspects should be more closely examined and this brief outline will help you organize key concepts for consideration.

Price: The *total occupancy costs* of the office should be calculated to a net present value to compare available locations. Purchase, lease and even lease/investment opportunities can all be compared to each other mathematically. Be sure you have uncovered all the possible opportunities and have utilized the negotiation power of net present value analysis software to properly weigh your choices.

Demographics: The population age, growth and employment considerations using *drive time* demographics for your target patients should be considered for each possible location. A side by side comparison of current successful locations and possible new locations can help you make good decisions. Be sure to consider future population change estimates and other planned medical facilities that may affect your particular practice in the future.

Demand: *Medical services gap analysis* can help you determine the demand for your specialty in a given market. This will help you determine the demand for your particular practice considering the current medical services in the market. Supply and demand will affect your numbers and should be compared for each possible location.

Referrals: Consider *where and from whom* referrals come from. Consider if locations from freestanding visible locations to the various medical office buildings with complimentary or competing services would be more beneficial for your practice. Referral sources and competitors can be mapped for each location to help you compare various buildings.

Accessibility: Your *practice should be accessible* to not only your current patients, but also to potential patients. When comparing locations, consider the areas where your patients work and live in regard to the convenience and proximity to your office. Some of the things to consider are transportation, street/highway access, parking and proximity to hospitals.

Location Image: *Perception* can become reality. The look and feel of your building, office and build-out/floor plan can attract or deter business. Consider the image of the location and buildings when comparing location choices. It may not have to be new class "A" to be the best location for your particular practice, but it should be appropriate to attract and retain patients. When weighing your choices, include the cost and benefits of the location, building and advantages of build-out / floor plans.

Market Intelligence: Current *market knowledge* of the medical office market, the submarket and the particular buildings you are considering will help you make the best financial decisions. Trend reports indicate occupancy and rental rate trends of buildings or chosen market areas and allow you to see if rental rates are increasing and if the particular building has been losing or gaining occupancy. This knowledge will help get the best deal possible.

Representation: Successful companies, even law firms and companies with real estate departments, engage *commercial real estate tenant reps to add value* when choosing locations. With bottom line practice profits increasingly more important; healthcare providers have found it's to their advantage to utilize professional representation. A Healthcare Real Estate Services broker *representing your* best interests will provide in depth location analysis and help you secure "The Best Location."



For more in-depth information about securing "The Best Location", call 404-876-1640 and visit www.HealthcareRealEstateServices.com. Michael Bull is a commercial real estate trainer, speaker and writer with 30 years of commercial real estate experience. He is president of Healthcare Real Estate Services, a division of Bull Realty, Inc